

**EXHIBIT 4**

**K.W. Lund Letter to C.P. Tholen, dated March 31, 2000**

Holme Roberts & Owen LLP



*Via Federal Express & Facsimile: 918/583-0829*

March 31, 2000

Samson Investment Company  
Attention: C. Phillip Tholen  
Two West Second Street  
Tulsa, Oklahoma 74103

Re: Liability for Casmalia Superfund Site

Dear Mr. Tholen:

Attached is a copy of the February 7, 2000 General Notice Letter regarding the Casmalia Disposal Site, Santa Barbara County, California (the "Site") sent by EPA Region IX to W.R. Grace & Company ("W.R. Grace"). Also attached is a March 24, 2000 letter from EPA Region IX to Lisa A. Schuh of Holme Roberts & Owen regarding several issues related to the Site. As stated in the General Notice Letter, the purpose of the letter is to notify various companies and organizations of their potential liability for the cost of cleaning up the Site, as well as requesting that the companies and organizations enter into a tolling agreement and attend an informational meeting with the EPA.

W.R. Grace is forwarding the EPA's General Notice Letter to Samson Investment Company ("Samson") because Samson assumed the liability of Grace Petroleum Corporation ("GPC") and its related subsidiaries, alleged generators of waste at the Site, in the December 30, 1992 GPC Stock Purchase Agreement. Therefore, Samson is the entity responsible for the liability of GPC and its related entities.

Also attached to this letter is a copy of the memorandum sent from Holme Roberts & Owen LLP, W.R. Grace's counsel in this matter, to all other Tier 2 Parties regarding a meeting in San Francisco at 1:30 p.m. on April 3, 2000 to discuss the response of the Tier 2 Parties to the EPA's claims. As the entity responsible for the liability of GPC and its related entities for the Site, Samson may want a representative to attend that meeting. Please advise the undersigned regarding whether a representative of Samson will attend the April 3, 2000

*Kenneth W. Lund*  
*(303)866-0409*  
*lundk@hro.com*

*Attorneys at Law*  
*1700 Lincoln Street*  
*Suite 4100*  
*Denver, Colorado*  
*80203-4541*  
*Tel (303)861-7000*  
*Fax (303)866-0200*  
*www.hro.com*

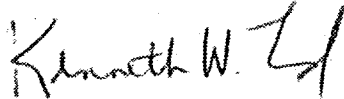
*Denver*  
*Salt Lake City*  
*Boulder*  
*Colorado Springs*  
*London*

Holme Roberts & Owen LLP

Attention: C. Phillip Tholen  
Sampson Investment Company  
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meeting and Samson's intentions regarding the resolution of GPC's liability at the Site. You may contact me at the e-mail address identified on this letter or at 303/866-0409.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kenneth W. Lund", with a stylized flourish at the end.

Kenneth W. Lund

KWL:tp

cc: (Via Facsimile)  
Jack A Cannon 918/587-6018



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION IX  
75 Hawthorne Street  
San Francisco, California 94105-3901

February 7, 2000

U.S. Certified Mail No. Z 253 923 536  
Return Receipt Requested

Paul J. Norris, Chm., President & CEO  
W.R. Grace and Co.  
7500 Grace Drive  
Columbia, MD 21044

2-16-00  
cc: RJM/JDT/LSG  
Tony Riddlesperger -  
fax & mail

Re: **IMPORTANT LEGAL MATTER—Prompt Attention Needed**  
**General Notice Letter and Tolling Agreement**  
**Casmalia Disposal Site, Santa Barbara County, CA**

**NOTE THESE IMPORTANT DATES:**

<b>February 28, 2000</b>	<b>Deadline to Return Primary Contact Designation Form</b>
<b>February 28, 2000</b>	<b>Deadline to Request Copies of Waste Manifests</b>
<b>March 7, 2000</b>	<b>Deadline to Return Executed Tolling Agreement</b>
<b>March 7, 2000</b>	<b>EPA Informational Meeting for Large Waste Generators</b>
<b>March 31, 2000</b>	<b>Deadline to Request Corrections to Facility Detail Report</b>
<b>February-March 2000</b>	<b>Federal Register Notice &amp; Public Comment Period / Proposed EPA <u>De Minimis</u> Settlement with 432 Parties</b>

Dear Mr. Norris:

The Environmental Protection Agency ("EPA") is cleaning up the Casmalia Disposal Site ("Site") in Santa Barbara County, California. EPA is sending this information to you because W.R. Grace and Co. or its affiliated entity (hereinafter referred to as "your company or organization") was named as a waste generator on a substantial number of manifests for waste material it disposed of at the Site. The purpose of this letter is severalfold. First, this letter notifies your company or organization of its potential liability for the cost of cleaning up the Site. Second, this letter requests that you execute an agreement on behalf of your company or organization to toll the statute of limitation that governs potential claims relating to the Site so that negotiations may proceed without litigation. Third, this letter invites you to an EPA informational meeting for large waste generators on March 7, 2000. Finally, this letter provides your company or organization with actual notice of a proposed settlement between EPA and approximately 432 de minimis parties.

EPA expects your company or organization to play a key role in cleaning up the Site. EPA has already embarked on an effort to resolve the liabilities of thousands of other potentially responsible parties that disposed of waste material at the Site. In 1997, the District Court for the Central District of California approved a judicial consent decree between the United States and 54 major waste generators, collectively known as the Casmalia Resources Site Steering Committee ("CRSSC"), to finance and perform key portions of the cleanup of the Site. In 1998, EPA sued the Site's owner and former operators in federal district court to ensure that the owner

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and former operators pay their share of the cleanup costs. In 1999, EPA settled with over 400 smaller waste generators ("de minimis parties") for a total of approximately \$26.5 million, and initiated settlement negotiations with the State of California. In 2000, EPA expects additional de minimis parties to participate in cash-out settlements. The settlement monies obtained from potentially responsible parties will be used to pay for critical cleanup work at the Site.

Your company or organization falls within the group of the second largest waste generators at the Site - comprised of approximately 93 parties-- based on Site business records. EPA expects your company or organization to join with other large waste generators to form a committee to negotiate a global settlement with EPA that resolves the group's Site liabilities as a whole. EPA will facilitate this process by enclosing a list with this letter that contains the names, addresses, and waste volumes of the companies and organizations which received this mailing. EPA will also make available primary contact information after the February 28, 2000 deadline for companies and organizations to submit this information to EPA.

**Designating a primary contact to receive future EPA correspondence**

EPA will be sending your company or organization periodic mailings regarding the Site and the settlement opportunity for large waste generators. Please use the enclosed Primary Contact Designation Form to designate the most appropriate individual on behalf of your company or organization to receive future correspondence on this matter. Due to the number of parties involved in this matter, EPA can only send correspondence to the contact you designate. **Please return the completed form to EPA by February 28, 2000, using the enclosed envelope.** EPA will continue to send correspondence to you until we receive your completed form.

**General notice of potential liability**

EPA has determined that your company or organization is a potentially responsible party at the Site under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA" or "Superfund"), 42 U.S.C. §§ 9601 et. seq., and the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§ 6901 et. seq. CERCLA is the federal law that authorizes the Superfund program to clean up hazardous substances that may pose a threat to human health or the environment. RCRA is the federal law that provides for the management of solid and hazardous wastes. EPA's determination is based on facility records that indicate your company or organization is named as the generator on one or more manifests for waste material it disposed of at the Site.

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Potentially responsible parties include companies and other businesses, governmental agencies, non-governmental organizations, and individuals. The four categories of potentially responsible parties are the following:

- the current owner(s) or operator(s) of the site;
- the former owner(s) or operator(s) of the site during the period that hazardous substances were disposed at the site;
- parties that arranged for the treatment, disposal, or transportation of hazardous substances to the site ("generators"); and
- parties that selected the site as a place to dispose of hazardous substances and transported these substances to the site ("transporters").

To aid your company or organization in reviewing the basis for EPA's waste quantity determinations, EPA has enclosed a Facility Detail Report. This report contains a list of all facilities that disposed of waste material at the Site, and which EPA has attributed to your company or organization. It includes the street address and waste volume for each facility. EPA has made its best effort to allocate waste based on Site business records. We would like to work with your company or organization to ensure that EPA accurately identifies your company or organization's (and any affiliated entities') facilities. Please carefully review the Facility Detail Report, and contact EPA if there are any errors or discrepancies in your company or organization's report, or if you wish for EPA to check for waste shipments from any additional facilities for which your company or organization may be legally responsible. Please send your requests for corrections to EPA c/o Casmalia Case Team (WST-1A), EPA Region IX, 75 Hawthorne Street, San Francisco, CA 94105-3901. The deadline for requesting corrections to the Facility Detail Report is March 31, 2000.

#### Tolling agreement

EPA is seeking your company or organization's cooperation in executing the proposed tolling agreement enclosed with this letter. The tolling agreement is necessary to provide EPA and your company or organization with a sufficient amount of time in which to negotiate a settlement. Executing tolling agreement is a condition of your company or organization's participation in the negotiation of a settlement for large waste generators. The Casmalia Consent Decree between the United States and the CRSSC establishes a coordinated enforcement program under which EPA and the CRSSC agree to work together to obtain contributions from the Facility's owner and operators and the remaining waste generators, including litigation if necessary. It is EPA's strong preference to conduct negotiations with your company or organization without interference from contribution litigation. At EPA's request, the CRSSC has agreed to postpone bringing contribution actions against large waste generators that agree to toll the statute of limitations under the tolling agreement for 18 months. The CRSSC has already agreed to the terms of the tolling agreement.

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Please return the executed tolling agreement by March 7, 2000 to EPA c/o Mark Chalfant, Esq., Office of Regional Counsel (ORC-3), EPA Region IX, 75 Hawthorne Street, San Francisco, CA 94105-3901. Any questions regarding the proposed tolling agreement should be directed to counsel for EPA, Mark Chalfant, at 415-744-1351, or Bradley O'Brien of the Department of Justice at 415-744-6484.

EPA informational meeting for large waste generators

EPA will hold an informational meeting for large waste generators on March 7, 2000, at 10:00 a.m. at EPA's offices in San Francisco. This meeting will provide your company or organization the opportunity to learn more about EPA's efforts to clean up the Site, and the role that your company or organization can play in the cleanup. EPA will be sending you an invitation to this meeting with a map shortly.

Proposed settlement for de minimis contributors

EPA recently reached a settlement with 432 de minimis contributors that disposed of waste material at the Site. Under the Superfund law, EPA may offer special settlement terms to de minimis parties. This settlement provides certain covenants and releases to de minimis contributors in return for cash-out payments. EPA expects to publish notice of the proposed settlement in the Federal Register in the near future. This notice will provide for a 30-day comment period before the proposed settlement becomes effective. If you wish to obtain a copy of the Federal Register notice or the proposed settlement for de minimis parties, please contact EPA's Superfund Records Center at 415-526-2000.

Further information about the Casmalia Disposal Site

EPA encourages you to learn more about the Site by reading the enclosed EPA Site Background Fact Sheet. You will also find enclosed a list of Site-related documents that may be of interest to you. Please feel free to use the enclosed Document Order Form to request that EPA send you these documents at no charge. This form may be used to request a summary of your company or organization's waste shipments or copies of the actual waste manifests. We strongly suggest that you request copies of your waste manifests by February 28, 2000, so you have ample time to receive and review them.

In addition, you may obtain additional information about the Site by contacting EPA's Superfund Records Center or RCRA Records Center. The Superfund Records Center, which maintains documents related to EPA's emergency actions, and other response actions to ensure proper site closure and cleanup, dating principally from 1992 to the present, may be contacted at 415-536-2000. The RCRA Records Center, which maintains documents related to EPA's historic

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permitting and enforcement activities, dating from the early 1970s and 1980s, may be contacted at 415-744-2422. You may obtain documents other than those listed on the Document Order Form from the Superfund Records Center or the RCRA Records Center at a nominal charge.

If you have any questions about this letter, you may call EPA at the following toll-free phone number: 800-394-2670. Due to the number of parties receiving this letter, we may not be able to respond to your telephone inquiries immediately, but we promise to make every effort to respond as quickly as possible.

Thank you for your interest in EPA's settlement process.

Very truly yours,



Julie Anderson  
Director  
Waste Management Division

cc: Bradley O'Brien, Esq., Department of Justice

Enclosures:

- ☐ Primary Contact Designation Form—Return form by February 28, 2000
- ☐ Facility Detail Report—Request corrections by March 31, 2000
- ☐ Mailing List for General Notice Recipients
- ☐ EPA Fact Sheet: Casmalia Disposal Site: Site Background
- ☐ Document Order Form—Order waste manifests by February 28, 2000
- ☐ Envelope for returning Primary Contact Designation Form to EPA
- ☐ Proposed Tolling Agreement—Return agreement to EPA by March 7, 2000





**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
**REGION IX**  
75 Hawthorne Street  
San Francisco, CA 94105

March 24, 2000

Certified Mail No. Z139631604  
Return Receipt Requested

Lisa A. Schuh  
Holme Roberts & Owen LLP  
1700 Lincoln St., Suite 4100  
Denver, CO 80203-4541

**RE: URGENT LEGAL MATTER—Large Waste Generator Group Settlement Offer  
Casmalia Disposal Site, Santa Barbara County, California**

**NOTE THESE IMPORTANT DATES:**

<b>March 31, 2000</b>	<b>Deadline to Request Corrections to Facility Detail Report</b>
<b>April 10, 2000</b>	<b>Deadline to Submit Revised Tolling Agreement</b>
<b>April 14, 2000</b>	<b>Deadline to Comment on Proposed <i>De Minimis</i> Settlement</b>
<b>April 28, 2000</b>	<b>Deadline to Submit Optional Applications</b>

Dear Ms. Schuh:

Earlier this year, the Environmental Protection Agency ("EPA" or the "Agency") began its efforts to notify approximately 93 large waste generators of their potential liability for waste material disposed of at the Casmalia Disposal Site ("Site"). On March 7, 2000, EPA held an informational meeting for the large waste generators to present an overview of the Site, EPA's cleanup strategy and costs, and EPA's enforcement and settlement activities to date. During this meeting, EPA and Department of Justice representatives indicated that the United States would make a settlement offer to the large waste generators by March 24, 2000. These representatives also indicated that a revised tolling agreement would be circulated to the large waste generators at that time. This letter is intended to offer your company or organization the opportunity to resolve its potential liability for waste material disposed of at the Site from the facility(ies) specified on the enclosed Facility Detail Report.

**SETTLEMENT OFFER**

At the March 7, 2000 meeting, EPA and Department of Justice representatives stated that the United States considers the large waste generators to be jointly and severally responsible as a group for cleaning up the Site. In the interest of a fair and reasonable settlement, the United States is offering a cashout settlement opportunity to the group as a whole based, in part, on the

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quantity of waste material sent by the group to the Site. This approach reflects EPA's preference for a cashout settlement in view of the fact that the Casmalia Consent Decree designates a work party for Phases 1 and 2. (The four phases of work are described in the Decree's scope of work.) However, as indicated at the meeting, the United States is willing to entertain a good faith counter-offer from the large waste generator group.

This letter presents the United States' formal offer to the large waste generator group. The general terms of the United States' settlement offer include a cashout payment and appropriate covenants, reopeners and reservations, and are summarized below:

EPA CASHOUT SETTLEMENT OFFER		
Cashout Payment	Covenants	Reopeners and Reservations
\$ 75,540,239	Phases 1, 2, 3 and 4	Reopener for unknown site conditions
	EPA past response costs	Reopener for new information
		Reservation for natural resources damages
		Standard reservations (e.g., criminal liability)

The cashout payment for the large waste generator group is based, in part, on two factors. First, EPA has calculated the group's collective volume to be 744,582,279 pounds of the total 4,453 billion pounds disposed of at the Site. Second, EPA has estimated that the total cleanup cost for the Site is \$271.9 million, as reflected in EPA's August 1999 cost estimate.

In making this settlement offer, EPA has sought to strike a balance between the value of the cashout payment and the scope of the covenants, reopeners and reservations. Under the proposed settlement, settling parties will receive a covenant not to sue from the United States for Phases 1 through 4, as defined in the Casmalia Consent Decree and its scope of work, and EPA's past response costs, subject to certain reopeners and reservations. These include a reopener for unknown site conditions, a reopener for new information, and a reservation for potential liability for natural resources damages.

The United States' settlement offer is subject to negotiation and agreement on a consent decree that may include additional material terms. The agreement is subject to approval by the appropriate EPA and Department of Justice officials, and public comment on and lodging of the proposed decree in federal court.

## SETTLEMENT PROCESS

As EPA and Department of Justice representatives explained at the March 7, 2000 meeting, EPA will conduct settlement negotiations with the large waste generator group during a 120-day period starting in early April and ending in late July. On a parallel track, EPA will conduct a limited volume correction process for interested parties, which the Agency plans to finish by the end of June. The timeline for these settlement activities is repeated below for the benefit of those parties that did not have the opportunity to attend the meeting.

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- **Settlement Negotiations**

Bi-monthly settlement negotiations are scheduled to begin in early April. These meetings are intended to provide EPA and representatives of the large waste generator group the opportunity to discuss the United States' settlement offer and a good faith counter-offer from the group. The schedule for these negotiations may be found below:

April 04, 2000	Tuesday	June 12, 2000	Monday
April 17, 2000	Monday	June 29, 2000	Thursday
May 04, 2000	Thursday	July 13, 2000	Thursday
May 18, 2000	Thursday	July 27, 2000	Thursday
May 31, 2000	Wednesday		

EPA expects that the group will form a negotiating committee to conduct negotiations. Please contact EPA attorney Mark Chalfant at 415-744-1351 to relay the status of the group's efforts to form such a committee. EPA has tentatively scheduled these meetings from 10:00 a.m. to 5:00 p.m. at its offices in San Francisco. Should longer sessions or more frequent meetings facilitate the completion of the settlement process, EPA will revise the schedule, as needed, in consultation with the group's negotiating committee.

- **Formation of a Negotiating Committee**

To aid in the formation of a negotiating committee, EPA furnished attendees at the March 7, 2000 meeting a contact list for members of the group. We have enclosed an updated list that reflects new information provided to EPA since the meeting.

- **Revised Tolling Agreement**

As explained at the March 7, 2000 meeting, EPA drafted a proposed tolling agreement that would benefit the large waste generator group, the Casmalia Steering Committee, and EPA. In particular, this agreement will provide EPA and the group a window of opportunity in which to negotiate a voluntary agreement that resolves the group's liabilities with respect to the Site. EPA strongly encourages you to sign the proposed agreement to avoid unnecessary litigation and transaction costs. This tolling agreement was sent originally as an enclosure in EPA's February 7, 2000 general notice letter.

Based on input from members of the large waste generator group, EPA has revised the proposed tolling agreement to address two suggestions. First, the agreement has been revised to provide for its termination under limited circumstances prior to the end of the 18-month period. Second, the agreement has been revised to provide that signatories from the large waste generator group and the Casmalia Steering Committee will not bring a legal action against the other before the termination of the agreement.

EPA appreciates the good faith efforts of members of the large waste generator group that submitted signed tolling agreements by the March 7, 2000 deadline. As EPA and Department of

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Justice representatives explained at the meeting, those parties that already submitted the proposed agreement will have the choice of signing the revised tolling agreement or abiding by the original agreement. The revised agreement is enclosed with this letter. **The deadline for all parties to submit a signed copy of the original or revised tolling agreement is April 10, 2000.**

Importantly, as EPA representatives noted at the March 7, 2000 meeting, your company or organization will not be barred from participating in the settlement process for the large waste generator group for failure to sign the proposed tolling agreement. However, the Agency will consider recalcitrant those parties that decline altogether to participate in the settlement process. Such parties may be subject to EPA unilateral orders or enforcement actions as well as private contribution suits brought by the Casmalia Steering Committee or other potentially responsible parties.

- **Corrections to Facility Detail Report**

In EPA's February 7, 2000 letter, the Agency set a March 31, 2000 deadline for requesting corrections to your company or organization's Facility Detail Report. This document is a comprehensive list of all facilities from which your company or organization may have sent waste material to the Site. EPA has created this process as a means to identify any facilities that the Agency may have wrongly attributed to a parent entity before EPA completes the limited volume correction process discussed below. It is also intended to provide you an opportunity to request that EPA check the Agency's waste records for additional facilities which are your company or organization's legal responsibility. **The deadline for requesting corrections to your company or organization's Facility Detail Report is March 31, 2000.** If you have corrections, please note the requested changes and provide supporting documentation in a letter to EPA's Casmalia Case Team, 75 Hawthorne Street (WST-1A), San Francisco, CA 94105-3901.

- **Waste Quantity Review Process and Other Optional Applications**

Consistent with the settlement process for *de minimis* contributors, EPA will conduct a limited volume correction process to facilitate the settlement process for the large waste generator group. During the volume correction process, EPA will accept challenges for individual waste shipments (as opposed to facility-level corrections) subject to the limitations set forth in the Waste Quantity Review Application. EPA distributed copies of the application at the March 7, 2000 meeting. Parties that were unable to attend the meeting and wish to obtain the application may contact EPA at 1-800-394-2670. **The deadline for submitting the Waste Quantity Review Application is April 28, 2000.** EPA expects to notify parties of its volume correction determinations by June 30, 2000.

Also consistent with the *de minimis* settlement process, government agencies may submit claims under Section 107(d)(2) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. § 9607(d)(2), for actions taken in a regulatory capacity in response to an emergency created by the release or threatened release

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of a hazardous substance. Municipal governments may also submit claims for municipal sewage sludge ("MSS") and municipal solid waste ("MSW") under the Agency's MSS and MSW policies. **The deadline for submitting an Application for Emergency Response Review or Municipal Sewage Sludge/Municipal Solid Waste Review is April 28, 2000.** Please contact Mark Chalfant of EPA's Office of Regional Counsel at 415-744-1351 for further information.

#### ADDITIONAL INFORMATION

If you were unable to attend the March 7, 2000 meeting and would like to obtain a copy of the materials that EPA distributed at that meeting, please call EPA's toll-free number for Casmalia at 1-800-394-2670. Attendees at the March 7, 2000 meeting requested that EPA make available copies of the overheads used during EPA's formal presentation. A copy of those overheads is enclosed. Attendees also asked EPA for a breakdown of the Casmalia Steering Committee's volumetric contribution by company or organization to the Site. On March 8, 2000, EPA sent an electronic copy of this information to members of the large waste generator group that had provided an electronic mail address to EPA as of that date. A hard copy of this information may be obtained by calling 1-800-394-2670.

In addition, you may obtain Casmalia-related documents at the following EPA information repositories:

<p><b>EPA Superfund Records Center</b>            95 Hawthorne Street            San Francisco, CA            415-536-2000</p> <p>(Documents related to EPA's emergency action and other response actions to ensure proper Site closure and cleanup, dating from 1992 to the present)</p>	<p><b>EPA RCRA Records Center</b>            75 Hawthorne Street            San Francisco, CA            415-744-2422</p> <p>(Historic documents related to facility permitting and enforcement activities, dating from 1970s)</p>
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Your company or organization may also wish to contact the Casmalia Steering Committee for its views on the Site and its cleanup progress. Please direct questions you may have of the Casmalia Steering Committee to common counsel James Dragna, of McCutchen, Doyle, Brown & Enersen, LLP, at 213-680-6400 or Daniel Hemker, of Chevron Environmental Management Company, at 925-842-3190.

#### PROPOSED DE MINIMIS SETTLEMENT

On March 15, 2000, EPA published notice in the Federal Register (Vol. 65, No. 51, 13967-13969) announcing a 30-day public comment period for its proposed settlement with 433 *de minimis* contributors to the Site. On this same date, EPA sent an electronic mail message to the large waste generator group notifying group members of the public comment period, which extends through April 14, 2000. A copy of the Federal Register notice is enclosed with this letter. It is also being provided to the Casmalia Steering Committee, the State of California, and the

03/24/00 FRI 14:11 FAX 1 415 744 1044

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facility's owner and former operators. You may obtain a copy of the proposed administrative order on consent by faxing your document request to 415-744-1044 or calling 1-800-394-2670.

If you have any questions, please contact Mark Chalfant of EPA's Office of Regional Counsel at 415-744-1351 or Bradley O'Brien of the Department of Justice at 415-744-6484. We look forward to your company or organization's participation in this settlement.

Very truly yours,



Julie Anderson  
Director  
Waste Management Division

Enclosures:

- Facility Detail Report
- Revised Tolling Agreement
- Updated mailing list for large waste generators (post-March 7, 2000 meeting)
- Presentation materials (overheads) from EPA's March 7, 2000 meeting
- Federal Register notice published March 15, 2000 regarding opportunity for public comment on proposed CERCLA administrative *de minimis* settlement

## PRIMARY CONTACT DESIGNATION FORM

W.R. Grace and Co.

PLEASE COMPLETE AND RETURN THIS FORM

BY FEBRUARY 28, 2000

Please provide the following information for the one person who will be the recipient's contact with the Environmental Protection Agency regarding the Casmalia Disposal Site, and who should receive all further related correspondence. Please return this form to EPA by February 28, 2000.

Company Name: W. R. Grace & Co.  
Contact Name: David Tucker  
Contact Title/Organization: Project Manager  
Contact Street Address: 6401 Poplar Avenue - Suite 301  
Contact City, State & Zip: Memphis, TN 38119-4840  
Contact Telephone Number: 901-820-2027  
Contact Fax Number: 901-820-2061  
Contact E-Mail Address: David.Tucker@grace.com

Legal Counsel/Law Firm, Contact Name, Address, and Telephone Number (if applicable):

David M. Cleary, Esq. - 901-820-2039 901-820-2059 fax David.Cleary@grace.com

ADDRESS THE SAME AS ABOVE

If you believe the recipient was notified in error, please check one of the following:

- ☐ The recipient has never had any connection whatsoever to the person/company named.
- ☐ Other (please explain below)

Name and address of the person or entity you believe should have been named, if any.

Return to: Environmental Protection Agency  
Attn: Casmalia Case Team (WST-1A)  
75 Hawthorne Street  
San Francisco, CA 94105-3901

Please use the enclosed pre-addressed envelope to return this form.  
Thank you for your cooperation.

Casualty Disposal Site  
Facility Detail Report: 1974-1989  
W.R. Grace and Co.

Facility Name	Facility Address	City	State	Zip	Qty. (Bbl.)
Grace Petroleum Corp.		Arroyo Grande			3,994,416
Grace Petroleum Corp.	301 S Miller, Suite 113	Santa Maria			632,020
Grace Petroleum Corp.	5382 Tank Battery				17,300
Grace Petroleum Corp.	6501 N Broadway	Elkhorn City	OR	73116	2,318,680
Grace Petroleum Corp.	7				9,226,137
Grace Petroleum Corp.	7817				23,045
Grace Petroleum Corp.	7112, 83				24,000
Grace Petroleum Corp.	7117				23,700
Grace Petroleum Corp.	77				35,760
Grace Petroleum Corp.	77710411 Y 2-R				104,240
Grace Petroleum Corp.	7 Henry	Pismo Beach	CA		161,640
Grace Petroleum Corp.	7 WW 11-2				33,480
Grace Petroleum Corp.	77771-17				42,700
Grace Petroleum Corp.	77777, TANK #1-11				33,480
Grace Petroleum Corp.	Arroyo Grande Field				1,264,616
Grace Petroleum Corp.	Black Rd 6-5				227,000
Grace Petroleum Corp.	Carraga 15-S				2,440
Grace Petroleum Corp.	Carsonville Rd	Carsonville			296,000
Grace Petroleum Corp.	Dallas - 15				70,340
Grace Petroleum Corp.	Dallas - 18				429,463
Grace Petroleum Corp.	Edna Unit 1, 2&3				83,765
Grace Petroleum Corp.	Edna Lease				12,540
Grace Petroleum Corp.	Edna H-0 Sand Pit				33,140
Grace Petroleum Corp.	Edna Rev L-2, 3				90,700
Grace Petroleum Corp.	Edna Sand Pit				46,880
Grace Petroleum Corp.	Edna Tank				82,660
Grace Petroleum Corp.	Edna Tank, Battery				23,882,800
Grace Petroleum Corp.	Edna Tank, Battery #1				33,480
Grace Petroleum Corp.	Edna Tank, Battery #104				239,700
Grace Petroleum Corp.	Edna Tank, Battery #105				287,320
Grace Petroleum Corp.	Edna Tank, Battery #2				33,480
Grace Petroleum Corp.	Edna Tank, Battery (7771, 2&3)	Upper Lake			123,880
Grace Petroleum Corp.	Edna Tank, Battery 3	Pismo Beach	CA		42,540
Grace Petroleum Corp.	Edna Tank, Battery Pit #1				65,115
Grace Petroleum Corp.	Edna Tank, Battery Pit				100,984
Grace Petroleum Corp.	Edna Tank, Battery Pits 122				70,010
Grace Petroleum Corp.	Edna Tank, Battery Rd #2				33,480
Grace Petroleum Corp.	Edna Tank, Battery Rd #3, 1				109,160

Casualty Disposal Site

Page 1

Facility Detail Report



Casualty Disposal Site  
Facility Detail Report: 1974-1989  
W.R. Grace and Co.

Facility Name	Facility Address	City	State	Zip	Qty. (lbs.)
Grace Petroleum Corp.	Edson Tank Battery, Upper Lake				972,280
Grace Petroleum Corp.	Edson Tank Farm				530,830
Grace Petroleum Corp.	Edson Tank Pond #172				74,780
Grace Petroleum Corp.	Ukon #1 & 2 & 3				257,623
Grace Petroleum Corp.	Golly 2 R				82,980
Grace Petroleum Corp.	Hyla				133,140
Grace Petroleum Corp.	Hyla #11				43,880
Grace Petroleum Corp.	Hyla #13	Edson			21,080
Grace Petroleum Corp.	Hyla #15				21,440
Grace Petroleum Corp.	Hyla #1A	Pismo Beach	CA		43,160
Grace Petroleum Corp.	Hyla #2				24,080
Grace Petroleum Corp.	Hyla #21				85,180
Grace Petroleum Corp.	Hyla #4				23,860
Grace Petroleum Corp.	Hyla #4-R				49,180
Grace Petroleum Corp.	Hyla #4R				154,280
Grace Petroleum Corp.	Hyla #5				24,360
Grace Petroleum Corp.	Hyla #6	Edson			66,980
Grace Petroleum Corp.	Hyla #8	Edson			33,480
Grace Petroleum Corp.	Hyla Ukon #4				11,920
Grace Petroleum Corp.	Hyla Holding Pond				67,012
Grace Petroleum Corp.	Hyla Holding Tank				97
Grace Petroleum Corp.	Hyla Leach				79
Grace Petroleum Corp.	Hyla Tank Battery				167,280
Grace Petroleum Corp.	Hyla Waste Water Tank				194,580
Grace Petroleum Corp.	Hyla Waste Water Tank, Arroyo Grande Field				42,160
Grace Petroleum Corp.	KNUCK-OUT HEAVY TREATER	Edson	CA		31,480
Grace Petroleum Corp.	Limited #2				81,125
Grace Petroleum Corp.	Matina #11				37,580
Grace Petroleum Corp.	Matina #17				199,980
Grace Petroleum Corp.	Matina #18				24,620
Grace Petroleum Corp.	Matina #4				20,960
Grace Petroleum Corp.	Morgan's Leach	Constock	CA		11,473,609
Grace Petroleum Corp.	Morgan's Leach #6				113,880
Grace Petroleum Corp.	Morgan's Leach #B-1	Constock			66,960
Grace Petroleum Corp.	Morgan's Leach #B-11				27,460
Grace Petroleum Corp.	Morgan's Leach #B-12				66,770
Grace Petroleum Corp.	Morgan's Leach #B-14				280
Grace Petroleum Corp.	Morgan's Leach #B-15				194,280

Casualty Disposal Site

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Facility Detail Report

Casmalia Disposal Site  
Facility Detail Report: 1974-1989  
W.R. Grace and Co.

Facility Name	Facility Address	City	State	Zip	Qty. (lbs.)
Grace Petroleum Corp.	Morganti Lease #B-18				56,689
Grace Petroleum Corp.	Morganti Lease #B-2	Casmalia			109,226
Grace Petroleum Corp.	Morganti Lease #D-28	Carmel			81,780
Grace Petroleum Corp.	Morganti Lease #B-21	Casmalia			61,880
Grace Petroleum Corp.	Morganti Lease #B-31		CA		197,355
Grace Petroleum Corp.	Morganti Lease #B-23				177,860
Grace Petroleum Corp.	Morganti Lease #B-25				37,399
Grace Petroleum Corp.	Morganti Lease #B-26				33,489
Grace Petroleum Corp.	Morganti Lease #B-27				33,488
Grace Petroleum Corp.	Morganti Lease #B-2				152,126
Grace Petroleum Corp.	Morganti Lease #G-2				61,710
Grace Petroleum Corp.	Morganti Lease #B				166,260
Grace Petroleum Corp.	Morganti Lease Member Pit, White Water				154,676
Grace Petroleum Corp.	Morganti Lease Tank, Setting				117,090
Grace Petroleum Corp.	Morganti Lower Waste Water Tank				437,663
Grace Petroleum Corp.	Morganti Main Tank				78,140
Grace Petroleum Corp.	Morganti Tank, Hangers				108,320
Grace Petroleum Corp.	Morganti Waste Tank				183,915
Grace Petroleum Corp.	North Tank, 22777				94,643
Grace Petroleum Corp.	ORVNO 118				130,525
Grace Petroleum Corp.	Pinto				1,146,108
Grace Petroleum Corp.	Pinto Beach	Pinto Beach			23,828
Grace Petroleum Corp.	Pinto Beach Hwy #13				164,868
Grace Petroleum Corp.	Pinto Hwy #14				43,520
Grace Petroleum Corp.	Pit 5				21,800
Grace Petroleum Corp.	Price Canyon Rd	Arroyo Grande	CA		3,314,813
Grace Petroleum Corp.	Price Canyon Box 9				840
Grace Petroleum Corp.	Price Tank Farm				37,540
Grace Petroleum Corp.	Rock 4-801				180,420
Grace Petroleum Corp.	Rock 867				71,400
Grace Petroleum Corp.	Rock 871				41,240
Grace Petroleum Corp.	Rock 891				19,040
Grace Petroleum Corp.	Rock 7				60,130
Grace Petroleum Corp.	Rock 7 Box 149	San Luis Obispo	CA		111,350
Grace Petroleum Corp.	Sand Pit				37,440
Grace Petroleum Corp.	Signal #1				109,220
Grace Petroleum Corp.	Signal #102	Santa Maria			37,820
Grace Petroleum Corp.	Signal #101 & 109				33,480

Casmalia Disposal Site

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Facility Detail Report

Public Name	Public Address	City	State	Zip	Op. hrs.
Glenn Petroleum Corp.	Signed #118				5:22am
Glenn Petroleum Corp.	Signed #122				40:12h
Glenn Petroleum Corp.	Signed #125				12:18am
Glenn Petroleum Corp.	Signed #135				22:55h
Glenn Petroleum Corp.	Signed #137				33:27
Glenn Petroleum Corp.	Signed #139				41
Glenn Petroleum Corp.	Signed #161				40:50h
Glenn Petroleum Corp.	Signed #162				12h:25h
Glenn Petroleum Corp.	Signed #163				15:52h
Glenn Petroleum Corp.	Signed #169				81:56h
Glenn Petroleum Corp.	Signed #171				16:40h
Glenn Petroleum Corp.	Signed #181				2:18am
Glenn Petroleum Corp.	Signed #195				43:8:15
Glenn Petroleum Corp.	Signed #195 Street				75:77:79h
Glenn Petroleum Corp.	Signed #197				12:5:18
Glenn Petroleum Corp.	Signed #197				18:2:39h
Glenn Petroleum Corp.	Signed #197				18:4:42
Glenn Petroleum Corp.	Signed #197				7:59:02
Glenn Petroleum Corp.	Signed #197				31:00
Glenn Petroleum Corp.	Signed #197				31:00
Glenn Petroleum Corp.	Signed #197				35:2:30h
Glenn Petroleum Corp.	Signed #197				12:1:00h
Glenn Petroleum Corp.	Signed #197				41:1:01
Glenn Petroleum Corp.	Signed #197				29:1:30h
Glenn Petroleum Corp.	Signed #197				41:1:01
Glenn Petroleum Corp.	Signed #197				40:10:0
Glenn Petroleum Corp.	Signed #197				51:00h
Glenn Petroleum Corp.	Signed #197				54:10h
Glenn Petroleum Corp.	Signed #197				29:30h
Glenn Petroleum Corp.	Signed #197				60h
Glenn Petroleum Corp.	Signed #197				14:3:30h
Glenn Petroleum Corp.	Signed #197				54:57h
Glenn Petroleum Corp.	Signed #197				90:30h
Glenn Petroleum Corp.	Signed #197				26:1:20h
Glenn Petroleum Corp.	Signed #197				72:13:30h



Carrollton Disposal Site  
Meeting 1st for General Notice Begins (2/7/2009)

[illegible]



## FACT SHEET

### CASMALIA DISPOSAL SITE

### SITE BACKGROUND

#### THE CASMALIA DISPOSAL SITE

Between 1973 and 1989, the Casmalia Disposal Site took more than four and a half billion pounds of waste material. Formerly called the Casmalia Resources Hazardous Waste Management Facility, this Site is an inactive commercial hazardous waste disposal facility located in Santa Barbara County, California. It includes six landfills, numerous surface impoundments, disposal trenches, injection wells, waste spreading areas, and tank treatment systems. The facility's owner and operators accepted a wide variety of industrial and commercial wastes including pesticides, solvents, acids, metals, cyanide, non-liquid PCBs, and RCRA-regulated wastes. Facility records show that more than 10,000 parties disposed of waste material at the Casmalia Disposal Site.

Facing multiple enforcement actions, the facility's owner and operators stopped taking waste material in 1989. In the early 1990s, the owner and operators abandoned efforts to properly close and clean up the Casmalia Disposal Site. The owner and former operators are unable or unwilling to pay for the costs of closing and cleaning up the Site. The estimated total response costs at this Site are \$271.9 million. When the owners and operators stopped managing the Site, the threats to the surrounding community and the environment from the facility worsened. EPA has documented the release and threatened release of many organic and inorganic compounds into the soil, groundwater, and air at the Site. In 1992, the State of California asked EPA to respond to deteriorating site conditions.

#### EPA EMERGENCY RESPONSE

EPA initiated emergency actions in 1992 to stabilize conditions at the Casmalia Disposal Site. Due to poor site conditions and technical difficulties, these actions cost over \$17 million (of the \$19.18 million spent by EPA to date). These early EPA efforts were the start of a complex and multi-fold process of controlling one of the largest waste sites in the country.

#### SUPERFUND AND RCRA

Superfund is a Federal program administered by EPA. The Superfund program is designed to clean up hazardous substances that may pose a threat to human health or the environment. The full name of the Superfund law is the Comprehensive Environmental Response, Compensation, and Liability Act, or "CERCLA." RCRA stands for the Resource Conservation and Recovery Act, which is the federal law that provides for the management of solid and hazardous wastes. Under CERCLA and RCRA, EPA has the authority to take actions at the Casmalia Disposal Site to protect human health and the environment. By virtue of these authorities, EPA may also require potentially responsible parties to clean up a site or pay the response costs.

#### FINDING A LONG-TERM SOLUTION

EPA's goal is to find a long-term solution at the Casmalia Disposal Site that protects human health and the environment. The government is using a Superfund decision-making process, relying on CERCLA, and promoting a presumptive remedy (i.e., controlling the movement of contaminated groundwater and containing contaminated land masses). This streamlined process is designed to take advantage of the large body of existing site characterization and groundwater monitoring data resulting in lower overall site costs.

Holme Roberts & Owen LLP



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MEMORANDUM

PRIVILEGED AND CONFIDENTIAL  
JOINT DEFENSE PRIVILEGE

To: All Tier 2 Parties

From: Kenneth W. Lund  
Holme Roberts & Owen LLP

Date: March 18, 2000

Re: Casmalia Superfund Site

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As stated at the initial meeting with EPA on March 7, 2000, we represent W.R. Grace at the Casmalia site. Since the March 7 meeting, I have spoken to many of you and communicated with many more by electronic mail.

Over the past week or so, several different subgroups have met by conference call to discuss various issues related to the site. While such issues as volume, toxicity and various defenses may be relevant, a consensus seems to be emerging that a common effort in negotiating with EPA will provide the greatest benefit to all parties. W.R. Grace strongly supports a common approach to any negotiations with EPA and is willing to assist in the process of organizing the group efforts in this regard.

As a means of developing a group management framework and beginning discussions with EPA, we propose that all Tier 2 parties meet in San Francisco beginning at 1:30 p.m. on April 3, 2000. We believe a meeting in San Francisco is most efficient since EPA has scheduled a "negotiating" session for April 4. Though a

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conference call was discussed initially, it was the consensus of many I talked with that such a call was too unwieldy to be productive. We have contacted EPA regarding the availability of the large conference room used at the last meeting and will confirm a specific location as soon as possible.

We propose an agenda as follows:

1. Group Organizational Issues
  - a. Joint Defense Agreement/Confidentiality
  - b. Sub-committee/Steering Committee
  - c. Common Counsel
  - d. Cost sharing issues
  - e. Participation of governmental entities
2. EPA Settlement Offer
  - a. Strategy for April 4 meeting
  - b. Specific issues to address
  - c. Negotiation strategy going forward
  - d. Legal and factual research necessary to support negotiations
3. Tolling Agreement
4. Comments to De Minimus Settlement (due April 14)
5. DOJ negotiations with State of California and application of settlement dollars to phase II work
6. Insurance issues
7. Additional group meetings and Steering Committee conference calls
8. Other issues as raised by group



**Holme Roberts & Owen LLP**

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Many other issues will likely be discussed and I will be happy to include other topics as provided.

Though the session with EPA on April 4 is not likely to last all day, Tier 2 group members should plan to remain for approximately one hour following the meeting to discuss additional issues as necessary.

Please feel free to contact me with any questions by e-mail or call at 303/866-0409.

**Holme Roberts & Owen LLP***Attorneys at Law*1700 Lincoln Street  
Suite 4100  
Denver, CO 80203Tel (303) 861-7000  
Fax (303) 866-0200**FACSIMILE COVER SHEET FROM FACSIMILE NUMBER: (303)866-0200**

To: Name	To: Company/Firm	Facsimile Number:	Verification Phone #
C. Phillip Tholen	Samson Investment Co.	918/583-0829 <i>Dec.</i>	
Jack A. Cannon		918/587-6018 <i>Dec.</i>	

Date: **March 31, 2000** Time: \_\_\_\_\_Client No.: **04339-00290**From: **Kenneth W. Lund** ATTY #: **0427**

Message:

Number of pages following this cover sheet: 26

If you need a confirmation or any of the pages sent again, please call our offices at the following number: Copy Center, (303)866-0362. If you do not call within 15 minutes, we will assume you have received the pages satisfactorily. TELECOPIER: canon 1-770 SENT BY: *[Signature]*

SECRETARY: Cheryl Graham; EXT.: 373; FLOOR: 43

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